NCA
VOC FOR IOP/FN
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FORD SEEKS MARKETING ACCORDS FOR STAINLESS STEEL

ANNCR:

PRESIDENT FORD IS SEEKING TO ARRANGE MARKETING AGREEMENTS WITH OTHER GOVERNMENTS ON EXPORTS OF SPECIALTY-STEELS TO THE UNITED STATES. VOA BUSINESS EDITOR FRANK FEINBERG HAS THIS BACKGROUND REPORT:

VOICE:

PRESIDENT FORD MADE KNOWN (TUESDAY NIGHT) HE WILL TRY TO GET DOMESTIC AND FOREIGN PRODUCERS OF SPECIALTY STEEL TO WORK OUT ORDERLY, VOLUNTARY IMPORT ARRANGEMENTS ON STAINLESS AND ALLOY-TOOL STEELS.

THUS THE PRESIDENT STRUCK A COMPROMISE ON THE FIRST MAJOR CASE OF THE U.S. TRADE ACT OF 1974. THE U.S. INTERNATIONAL TRADE COMMISSION RULED TWO-MONTHS AGO THAT AMERICAN SPECIALTY STEEL PRODUCERS--AND PARTICULARLY STAINLESS STEEL FLATWARE MAKERS--ARE BEING SEVERELY INJURED BY UNFAIR FOREIGN COMPETITION. THE MAJOR COMPLAINT BY THE U.S. MANUFACTURERS AND STEELWORKERS IS THAT OVERSEAS PRODUCERS ARE GAINING AMERICAN MARKETS WITH UNDERCUTTING PRICING TACTICS MADE POSSIBLE BY GOVERNMENT SUBSIDY OR OWNERSHIP.

THE COMMISSION RECOMMENDED THAT THE U.S. GOVERNMENT INSTITUTE QUOTA LIMITS FOR SPECIALTY-STEEL IMPORTS TO ONE-HUNDRED-FORTY-SIX THOUSAND METRIC TONS ANNUALLY. MOST OF THE IMPORTS COME FROM JAPAN, SWEDEN, CANADA, FRANCE, BRITAIN AND WEST GERMANY.

HOWEVER, THE COMMISSION'S RECOMMENDATIONS--ARRIVED AT AFTER LENGTHY HEARINGS--FACED OPPOSITION FROM SEVERAL QUARTERS. FREE TRADE INTERESTS--INCLUDING IMPORTERS AND CONSUMERS--ARGUED THAT IMPOSING QUOTAS ON STEEL IMPORTS COULD RESULT IN HIGHER PRICES FOR AMERICANS...AND COULD LEAD TO REPRISALS AGAINST AMERICAN EXPORTS. ALSO, WITHIN THE FORD ADMINISTRATION, THERE WAS CONCERN THAT IMPLEMENTING MANDATORY QUOTAS ON SPECIALTY STEEL IMPORTS COULD HAVE ADVERSE EFFECTS ON THE CURRENT TRADE NEGOTIATIONS AT GENEVA.

PRESIDENT FORD HAS TAKEN A MIDDLE COURSE. HE IS ASKING FOR NEGOTIATIONS ON A NATION-BY-NATIONS BASIS TO ESTABLISH VOLUNTARY MARKETING QUOTAS ON SPECIALTY STEEL EXPORTS TO THE UNITED STATES. IF U.S. AND FOREIGN TRADE NEGOTIATORS--AFTER NINETY-DAYS--DO NOT COME TO TERMS, THE PRESIDENT WILL SET UP IMPORT QUOTAS FOR A THREE-YEAR PERIOD.

WHITE HOUSE SOURCES SAY THE PRESIDENT REGARDS HIS DECISION AS A REALISTIC ONE TO AN ADMITTEDLY TOUGH PROBLEM. HE WAS UNDER PRESSURE FROM BOTH INDUSTRY AND UNEMPLOYED STEEL WORKERS IN THE UNITED STATES. AND, AT THE SAME TIME, HIS ACTION WAS BEING CLOSELY WATCHED IN OVERSEAS CAPITALS AS A TEST OF HIS ADMINISTRATION'S RESOLVE TO WORK FOR FREER INTERNATIONAL TRADE.

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